

The Redevelopment Agency of the City of San José

Harry S. Mavrogenes, Executive Director

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P*romote and collaborate for the sound development and redevelopment of blighted areas by revitalizing the physical, economic, and social conditions to support the general welfare and enhance the quality of life in the community*

City Service Area

Community and Economic Development

Core Services

Enhance the Quality and Supply of the City's Housing Stock

Enhance the supply of quality, affordable, and market-rate housing through rehabilitation and new construction

Initiate and Facilitate Private Development

Initiate and facilitate quality development by the private sector through land assemblage, permitting, public improvements, and other appropriate assistance

Initiate and Facilitate Public Facilities and Spaces

Provide sustainable and quality public buildings and spaces

Promote and Implement Neighborhood Improvement Strategies

Promote and implement strategies to retain, enhance, redevelop and rebuild neighborhoods, including downtown

Strategic Support: Finance, Marketing, Planning, Legal Services, Land Assemblage, Infrastructure Improvements, Administration, Economic Development

Redevelopment Agency

Department Budget Summary

	2008-2009 Actual 1	2009-2010 Adopted 2	2010-2011 Forecast* 3	2010-2011 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Enhance the Quality and Supply of the City's Housing Stock	\$ 2,526,620	\$ 3,158,682	\$ 2,881,236	\$ 2,569,720	(18.6%)
Initiate and Facilitate Private Development	4,428,828	4,722,977	3,725,825	3,303,926	(30.0%)
Initiate and Facilitate Public Facilities and Spaces	4,877,216	5,711,072	4,644,182	4,221,683	(26.1%)
Promote and Implement Neighborhood Imprv Strategies	3,714,109	4,452,274	3,816,085	3,487,477	(21.7%)
Strategic Support	5,627,439	5,487,422	5,073,980	4,591,113	(16.3%)
Total	\$ 21,174,212	\$ 23,532,427	\$ 20,141,308	\$ 18,173,919	(22.8%)
Dollars by Category					
Direct Agency					
Personal Services					
City Civil Service (SJRA)	\$ 2,025,139	\$ 2,061,797	\$ 1,875,930	\$ 1,706,792	(17.2%)
General Counsel**	1,284,922	1,444,723	1,544,100	663,082	(54.1%)
Agency Staff	11,653,345	13,002,145	10,194,650	9,480,532	(27.1%)
Non-Personal/Equipment	1,009,678	1,423,406	864,325	864,325	(39.3%)
Subtotal - Direct Agency	\$ 15,973,084	\$ 17,932,071	\$ 14,479,005	\$ 12,714,731	(29.1%)
Payments to City					
Civic Center Agency Rent	\$ 1,390,875	\$ 1,390,875	\$ 1,290,875	\$ 1,290,875	(7.2%)
Support Services***	1,836,106	2,091,807	1,951,778	1,895,933	(9.4%)
Mayor & Board	1,974,147	2,117,674	2,419,650	2,272,380	7.3%
Subtotal - Payments to City	\$ 5,201,128	\$ 5,600,356	\$ 5,662,303	\$ 5,459,188	(2.5%)
Total	\$ 21,174,212	\$ 23,532,427	\$ 20,141,308	\$ 18,173,919	(22.8%)
Dollars by Fund					
General Fund	\$ 2,025,139	\$ 2,061,797	\$ 1,875,930	\$ 1,706,792	(17.2%)
Redevelopment Funds	19,149,073	21,470,630	18,265,378	16,467,127	(23.3%)
Total	\$ 21,174,212	\$ 23,532,427	\$ 20,141,308	\$ 18,173,919	(22.8%)
Authorized Positions	119.00	119.00	92.00	83.00	(30.3%)

* This represents the City's 2010-2011 Base Budget costs and does not reflect the Agency's 2011-2015 Capital Improvement Project Forecast budget.

** The 2010-2011 Adopted Budget costs for General Counsel and Litigation Services reflect the 2010-2011 San Jose Redevelopment Agency Proposed Capital and Operating Budget. Currently, efforts are underway to align resources with the Agency's proposed budgeted amounts and actions are anticipated to be included in the Redevelopment Agency's 2010-2011 proposed budget to be reviewed by the Redevelopment Agency Board in Fall 2010.

*** In addition to the City services funded in the San Jose Redevelopment Agency's (SJRA) Operating Budget, the following reimbursements are included in SJRA's 2010-2011 Proposed Capital Budget: \$7,257,370 in reimbursement for eligible City improvements that offset the costs for the San José BEST Program and four police officer positions (\$5,170,762), \$704,243 for SNI City Manager's Office, \$300,000 for Litigation Services, \$8,081 SNI City Attorney's Office, \$287,441 for Blight Abatement, \$280,043 for SNI Code Enforcement, \$166,230 for the SNI Driveway Team, \$164,881 for the PBCE Blight Busters program, \$117,195 for PBCE Services, and \$58,494 for Contract Compliance.

Redevelopment Agency

Budget Reconciliation (General Fund)

(2009-2010 Adopted to 2010-2011 Adopted)

	Positions*	General Fund (\$)
Prior Year Budget (2009-2010):	10.00	2,061,797
Base Adjustments		
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes		48,463
• 2009-2010 Redevelopment Agency Adopted Budget Reductions	(2.00)	(234,330)
Technical Adjustments Subtotal:	(2.00)	(185,867)
2010-2011 Forecast Base Budget:	8.00	1,875,930
Budget Proposals Approved		
1. Redevelopment Agency Employee Total Compensation Reduction		(125,379)
2. Redevelopment Agency Management and Professional Employees Total Compensation Reduction		(43,759)
Total Budget Proposals Approved	0.00	(169,138)
2010-2011 Adopted Budget Total	8.00	1,706,792

* Only reflects SJRA civil service employee positions.

Redevelopment Agency

Budget Changes By Department

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Redevelopment Agency Employee Total Compensation Reduction		(125,379)	(125,379)

Community and Economic Development CSA Strategic Support

As a result of compensation reductions for various bargaining groups as approved by the City Council on June 22, 2010, this action reflects a 10% reduction in total compensation costs, of which 5% is ongoing, for various bargaining units (AEA, ALP, AMSP, CAMP, IBEW, and OE3); an additional 5% total compensation reduction for Executive Management and Professional Employees and Unrepresented Employees (Units 99 and 81/82) for a total 10% reduction in compensation, of which 5% is ongoing; and a 5% reduction in ongoing total compensation costs for ABMEI. The savings generated from these actions helped address the General Fund shortfall, thereby retaining City services which would otherwise have been eliminated.

The compensation adjustment actions, which vary by employee group, include: general wage decreases, freezing of merit increases, additional employee contributions to retirement to offset the City's contributions, healthcare cost sharing changes (from 90% City/10% employee to 85% City/15% employee), healthcare plan design changes including increased co-pays, and changes in healthcare in lieu, healthcare dual coverage, and disability leave supplement. The specific actions are described in each bargaining unit's agreement with the City that can be found at: <http://www.sanjoseca.gov/employeeRelations/labor.asp>.

These compensation actions generate savings of \$8.6 million in the General Fund, offset by overhead and other reimbursement losses of \$856,000, resulting in total net General Fund savings of \$7.7 million. In the Redevelopment Agency, the General Fund savings totals \$125,379 as reflected in the 2010-2011 Adopted Budget. It should be noted that because of the timing of the concession agreements, the total value of the savings in all other funds is not yet available. Compensation savings generated for other funds will be brought forward as part of the 2009-2010 Annual Report, to be released on September 30, 2010. (Ongoing General Fund savings: \$62,699)

Performance Results: N/A

Redevelopment Agency

Budget Changes By Department (Cont'd.)

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
2. Redevelopment Agency Management and Professional Employees Total Compensation Reduction		(43,759)	(43,759)
<i>Community and Economic Development CSA Strategic Support</i>			
<p>This action is a reduction in personnel costs equivalent to 5% of total compensation for Executive Management and Professional Employees (Unit 99). The savings generated from these actions helps address the General Fund shortfall, thereby retaining City services which may otherwise have been eliminated. The compensation adjustments include a 4.75% general wage decrease, freezing of merit increases, healthcare cost sharing changes (from 90% City/10% employee to 85% City/15% employee), healthcare plan design changes including increased co-pays, and changes in healthcare in lieu, healthcare dual coverage, and disability leave supplement. These actions result in savings of \$1.23 million in the General Fund including overhead loss and \$2.1 million in all funds. In the Redevelopment Agency, savings total \$43,759 in the General Fund, \$43,759 in all funds. (Ongoing savings: \$43,759)</p>			
Performance Results: N/A			
2010-2011 Adopted Budget Changes Total		(169,138)	(169,138)

Redevelopment Agency

General Fund Departmental Position Detail

Position*	2009-2010 Adopted	2010-2011 Adopted	Change
Assistant Executive Director	1.00	1.00	-
Assistant Director	1.00	1.00	-
Deputy Executive Director	2.00	2.00	-
Economic Development Officer	3.00	2.00	(1.00)
Executive Director	1.00	1.00	-
Principal Account Clerk	1.00	0.00	(1.00)
Principal Accountant	1.00	1.00	-
Total Positions	10.00	8.00	(2.00)

* Only reflects SJRA civil service employee positions.